



Foreign Agricultural Service

GAIN Report

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Australia

Grain and Feed

Dryer Than Average Conditions in Australia 2002

Approved by:

Randolph H. Zeitner

U.S. Embassy

Prepared by:

Mike Darby

Report Highlights:

The Australian Bureau of Agricultural & Resource Economics has forecast that winter crop production for 2002/03 will fall by 5.3 MMT, or around 14 percent.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Canberra [AS1], AS

Dryer than average conditions across much of Australia's agricultural areas is causing increasing concern as industry sources and government departments have begun reducing production estimates. Despite recent falls of rain, weather forecasters are continuing to issue cautious reports about the medium term outlook.

According to the Bureau of Meteorology (BOM), the period from April 1 to June 23 has registered below average rainfall for nearly the entire continent. The areas of the continent worst affected are the inland cropping belts in the winter crop producing states of Queensland, New South Wales, Victoria, South Australia (SA) and Western Australia. For the month of May, (when the majority of the winter crop would normally be sown), all of these areas suffered from below average rainfall, with the exception of SA.

The situation could deteriorate further with the BOM forecasting below average probability of median rainfall for the winter cropping belts in all five winter crop producing states from July through August. BOM gives Western Australia only a 35 percent chance of exceeding median rainfall while the cropping belt in Queensland is given a 40 percent chance of exceeding median rainfall.

The current lack of soil moisture together with lack of irrigation water availability has resulted in reduced forecasts of both winter and summer crop production. The Australia Bureau of Agricultural and Resource Economics (ABARE) has forecast that winter crop production for 2002/03 will fall by 5.3 MMT, or around 14 percent. In issuing this forecast ABARE noted the likelihood of Australia developing an El Nino weather pattern. This pattern is typically known for periods of increased temperatures and lower than average rainfall. ABARE also cites the Southern Oscillation Index (SOI) as a concern. Both indicators are currently suggesting below average rainfall over the remainder of the winter cropping season and suggest average to very much below average yields.

ABARE updated its winter crop estimates for 2001/02 and forecasts for 2002/03 in June and is due to revise these again in September. The Australian Bureau of Statistics (ABS) is not due to release its first preliminary estimate for 2000/01 until October.